

## Federal Contractors - Fair Pay and Safe Workplaces Order also Enjoined

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In a similar development to the DOL's salary basis rule, the U.S. District Court for the Eastern District of Texas also issued a nationwide injunction halting implementation of certain aspects of the Fair Pay and Safe Workplaces Executive Order (the "Order"). The Order affected federal contractors subject to affirmative action requirements and was scheduled to go into effect on January 1, 2017. Since issuance, the Order has been controversial within the federal contracting community, as it would have required disclosure of certain labor law violations and could have resulted in companies being barred from eligibility to receive federal contracts. The Order also would have prevented companies from using mandatory arbitration clauses to resolve disputes under Title VII of the Civil Rights Act on contracts worth more than \$1,000,000. Both of those aspects of the Order have now been halted. It is unclear whether the injunction will be challenged, but the DOL has already informed all procurement officials at federal agencies to stop implementation of those pieces of the Order subject to injunction. The court did not enjoin the paycheck transparency requirements of the Order which will require federal contractors to provide wage statements to employees noting total hours worked, overtime hours worked, rate of pay, gross pay, and an itemized list of any deductions taken from the employee's pay.

### PRACTICE AREAS

Employment and Labor